

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

16-2464

HB 1544-FN-A-LOCAL, *establishing a tax on revenues from natural gas transmission.*

House Way & Means Committee

This bill creates a new law, RSA 77-H, Natural Gas Transmission Tax that the Department of Revenue Administration (DRA) would administer.

The one percent tax would be applied to any revenues received under contracts for natural gas transmission via in-state pipelines.

The DRA does not know how much gas is currently being transmitted nor how much is contemplated to be transmitted in the future. Therefore the DRA cannot estimate the revenue that would be collected from the Gas Transmission Tax.

Natural Gas Transmission Tax paid would be a credit against the Business Profits Tax (BPT) or the Business Enterprise Tax (BET). As a result, BPT and BET revenues will experience an indeterminable decrease.

The proposed bill provides that any revenues collected from the tax shall be deposited in the highway fund to be used for local road and bridge aid. Although the DRA does not have sufficient details of the amount of gas which may be taxed in order to estimate the revenue impact, the intent of the legislation is to generate revenues to be used for local road and bridge aid, resulting in an indeterminable increase in local revenues.

Were the proposed bill to become law the DRA will have to draft rules, create new forms, update IT systems, and train (and perhaps hire) new auditors; with an indeterminable cost in excess of \$10,000.

This bill would take effect on January 1, 2017.